

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7024

BILL NUMBER: SB 493

NOTE PREPARED: Feb 21, 2013

BILL AMENDED: Feb 21, 2013

SUBJECT: Achievement Test Grant.

FIRST AUTHOR: Sen. Hershman

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill provides to a school corporation a state tuition support grant for each pupil who passes the ISTEP examination or each high school student who passes the required Core 40 end of course assessment in high school english, algebra, or biology, if the school corporation (including a charter school) had either an overall ISTEP and end of course assessment pass rate greater than 85% or a year over year ISTEP and end of course assessment overall pass rate increase of at least 6%.

Effective Date: January 1, 2014.

Explanation of State Expenditures: (Revised) The bill would create a new grant for each school corporation and charter school that had an achievement test pass rate greater than 85% or an increase in the overall achievement test pass rate of at least 6% over the previous year. The amount of the grant depends on the appropriation by the General Assembly. The grant for a school corporation is the lesser of (1) or (2) below:

(1) The product of: (a) an appropriation in the biennial budget bill to fund the Achievement Test Grants divided by the count of the total eligible students in Indiana who had a passing score on their achievement test; multiplied by (b) the count of the school corporation's eligible students who had a passing score on their achievement test.

(2) The product of: (a) the count of the school corporation's eligible students who had a passing score on their achievement test; multiplied by (b) \$500.

Based on ISTEP test and end of course assessment data for FY 2012, about 15 school corporations and charter

schools had a pass rate of over 85% and about 18 had at least a 6% increase in their pass rate from the 2011 to 2012 school year. If the grant program were in place and funded, these school corporations could qualify for \$500 grants for approximately 62,424 students, with a maximum fiscal impact of about \$31.2 M annually.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: *See Explanation of State Expenditures.*

State Agencies Affected: Department of Education.

Local Agencies Affected: School corporations and charter schools.

Information Sources: ISTEP Website, <http://www.doe.in.gov/achievement/assessment/istep-results>

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